

EXHIBIT D



August 08, 2017

Sisselman & Schwartz
Attn: Douglas Schwartz
75 Livingston Avenue
Roseland, NJ 07068

RESERVATION OF RIGHTS

Re: Claimant: Natalie Parker
Zurich Named: Kellermeyer Building Services, "KBS".
Issue: Tender to Zurich
Zurich # 9690445207
D/L: 08-21-15
GB #: 000714-064816-GB-01

Dear Mr. Schwartz:

This letter will respond to your request, on behalf of Sears for tender of the above claim to Kellermeyer Building Services Inc., "KBS" and Zurich American Insurance Company ("Zurich"). Zurich provides General Liability Policy No. GLO 6510031, with effective dates of April 1, 2015 through April 1, 2016 (the "Policy") to Named Insured Kellermeyer Building Services Inc., "KBS".

After a thorough review of the Policy, the claim investigation presented, and the Contract Agreement between Sears and KBS we must presently advise that Zurich will investigate and accept the tender **under a strict reservation of rights**. Zurich also reserves the right to decline coverage and indemnification on your behalf as the facts develop.

BACKGROUND FACTS

This claim arises out of an accident involving Natalie Parker in one of Sears' stores. It is reported that the claimant allegedly slipped and fell due to large spill of water or other colorless liquid. The incident occurred at approximately 2:00p.m. Sears contracts with KBS to perform cleaning services.

POLICY:

Pursuant to contract obligations Kellermeyer provides Additional Insured Status under Form CG 20 10 04 13.

A. Section II --- Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf; in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work including materials, parts of equipment furnished in connection with such Work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project.

COVERAGE ISSUES

Zurich wishes to call your attention to the following coverage issues which bar indemnification for Sears under the Policy. The following list does not purport to be all-inclusive. Zurich specifically reserves the right to assert and rely on other policy provisions and facts which may relate to the questions of coverage and/or the duty to defend.

Under the Additional Insured – Owners, Lessees or Contractors Endorsement (the "Endorsement"), an additional insured is entitled to coverage under Section I, Coverage A, but only if the "bodily injury" results from the named insured's negligence or ongoing operations. At present the accident fact pattern does not confirm that our Named insured had any negligence. KBS time cards show that KBS was not in the store at the time of the loss and had been gone from the store for approximately three hours. If it is determined that the claimant's fall was due solely to a premises condition for which Sears is solely responsible then the Zurich policy **will not** indemnify on behalf of Sears.

CONCLUSION

For these reasons, Zurich must again **reserves its rights** under the policy. Zurich's right to deny coverage is not limited to the reasons set out herein, but shall include any other basis for non-coverage or denial of the duty to defend that might be hereafter revealed. By enumerating the above-cited policy provisions, Zurich does not waive the right to subsequently assert additional provisions applicable to the causes of action presently asserted, or to be asserted, in a Lawsuit.

KBS claim matters are handled by a Third Party Claims Administrator, Gallagher Bassett. Their address is Gallagher Bassett, POB 2934, Clinton, IA 52733. The claim contact is Ms. Susan Keys. She will serve as your point of contact for any additional correspondence and can be reached at 717-610-3544. If you have any questions or have other information that you believe would affect the decision on coverage, please let us know immediately.

Sincerely,
Zurich American Insurance Company

Tammy Fike
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